

**Nuvoton Technology Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 2024 and 2023 and  
Independent Auditors' Review Report**

## INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders  
Nuvoton Technology Corporation

### Introduction

We have reviewed the accompanying consolidated balance sheets of Nuvoton Technology Corporation and its subsidiaries (collectively, the “Group”) as of June 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024 and 2023, and its consolidated financial performance for the three months ended June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the six months then ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Kenny Hong and Shu-Lin Liu.

The image shows two handwritten signatures in black ink. The signature on the left is for Kenny Hong, and the signature on the right is for Shu-Lin Liu. Both signatures are fluid and cursive.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

July 30, 2024

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.*

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 7,144,197	23	\$ 6,325,394	20	\$ 9,035,422	25
Financial assets at fair value through profit or loss - current (Note 7)	-	-	22,422	-	-	-
Accounts receivable, net (Note 8)	4,013,758	13	4,092,482	13	4,525,030	13
Accounts receivable from related parties, net (Notes 8 and 31)	1,189	-	29,523	-	42,418	-
Finance lease receivables - current (Notes 9 and 31)	64,582	-	92,088	-	90,318	-
Other receivables (Notes 10 and 31)	447,174	2	412,575	1	738,403	2
Inventories (Note 11)	6,160,337	20	7,756,366	24	8,430,817	24
Other current assets	508,894	2	468,615	2	514,752	1
Total current assets	<u>18,340,131</u>	<u>60</u>	<u>19,199,465</u>	<u>60</u>	<u>23,377,160</u>	<u>65</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Note 7)	81,125	-	76,763	-	77,850	-
Financial assets at fair value through other comprehensive income - non-current (Note 12)	1,415,293	4	1,348,557	4	1,336,834	4
Investments accounted for using equity method (Note 13)	1,755,363	6	1,824,673	6	1,936,491	5
Property, plant and equipment (Notes 14, 31 and 32)	5,860,711	19	5,785,697	18	5,474,775	15
Right-of-use assets (Notes 15 and 31)	529,112	2	520,912	2	545,927	2
Investment properties (Notes 16 and 32)	1,378,794	4	1,549,000	5	1,599,384	5
Intangible assets (Note 17)	551,683	2	550,894	2	586,509	2
Deferred tax assets (Note 4)	224,351	1	226,001	1	220,257	1
Refundable deposits (Notes 6, 31 and 32)	286,627	1	275,294	1	340,632	1
Finance lease receivables - non-current (Notes 9 and 31)	-	-	23,289	-	68,841	-
Other non-current assets	305,778	1	359,649	1	143,966	-
Total non-current assets	<u>12,388,837</u>	<u>40</u>	<u>12,540,729</u>	<u>40</u>	<u>12,331,466</u>	<u>35</u>
<b>TOTAL</b>	<u>\$ 30,728,968</u>	<u>100</u>	<u>\$ 31,740,194</u>	<u>100</u>	<u>\$ 35,708,626</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 18, 31 and 32)	\$ 504,250	2	\$ 1,064,280	3	\$ 1,311,500	4
Financial liabilities at fair value through profit or loss - current (Note 7)	35,691	-	786	-	36,272	-
Accounts payable	1,410,370	5	1,304,407	4	1,572,440	5
Accounts payable to related parties (Note 31)	788,995	2	778,160	3	1,205,820	3
Other payables (Notes 19 and 31)	4,261,380	14	3,969,136	13	4,280,503	12
Dividends payables (Note 23)	1,259,296	4	-	-	2,938,357	8
Current tax liabilities (Note 4)	285,109	1	305,031	1	403,108	1
Provisions - current (Note 20)	-	-	-	-	46,666	-
Lease liabilities - current (Notes 15 and 31)	158,983	-	156,298	1	160,482	1
Long-term borrowings, current portion (Notes 18 and 32)	285,714	1	142,857	-	142,857	-
Other current liabilities	565,191	2	459,853	1	412,072	1
Total current liabilities	<u>9,554,979</u>	<u>31</u>	<u>8,180,808</u>	<u>26</u>	<u>12,510,077</u>	<u>35</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Notes 18 and 32)	714,286	2	857,143	3	1,357,143	4
Provisions - non-current (Note 20)	1,971,097	7	2,235,033	7	2,312,391	7
Deferred tax liabilities (Note 4)	69,883	-	77,953	-	13,393	-
Lease liabilities - non-current (Notes 15 and 31)	382,972	1	384,600	1	411,735	1
Net defined benefit liabilities - non-current (Note 4)	1,172,309	4	1,370,333	4	1,410,619	4
Guarantee deposits (Notes 22 and 31)	1,350,320	5	1,845,998	6	2,308,562	6
Other non-current liabilities	71,986	-	57,282	-	73,150	-
Total non-current liabilities	<u>5,732,853</u>	<u>19</u>	<u>6,828,342</u>	<u>21</u>	<u>7,886,993</u>	<u>22</u>
Total liabilities	<u>15,287,832</u>	<u>50</u>	<u>15,009,150</u>	<u>47</u>	<u>20,397,070</u>	<u>57</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)</b>						
Share capital	4,197,653	14	4,197,653	14	4,197,653	12
Capital surplus	6,995,650	23	6,995,630	22	6,992,250	20
Retained earnings						
Legal reserve	1,693,267	5	1,447,316	5	1,447,316	4
Special reserve	1,190,819	4	710,979	2	710,979	2
Unappropriated earnings	2,972,916	10	4,570,285	14	3,225,160	9
Exchange differences on translation of financial statements of foreign operations	(2,011,346)	(7)	(1,556,260)	(5)	(1,613,520)	(5)
Unrealized gains on financial assets at fair value through other comprehensive income	402,177	1	365,441	1	351,718	1
Total equity	<u>15,441,136</u>	<u>50</u>	<u>16,731,044</u>	<u>53</u>	<u>15,311,556</u>	<u>43</u>
<b>TOTAL</b>	<u>\$ 30,728,968</u>	<u>100</u>	<u>\$ 31,740,194</u>	<u>100</u>	<u>\$ 35,708,626</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

## NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Losses) Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)	\$ 8,227,916	100	\$ 8,953,034	100	\$ 16,696,171	100	\$ 17,908,846	100
OPERATING COST (Notes 11, 26 and 31)	<u>5,406,439</u>	<u>66</u>	<u>5,331,433</u>	<u>60</u>	<u>10,340,831</u>	<u>62</u>	<u>10,676,325</u>	<u>60</u>
GROSS PROFIT	<u>2,821,477</u>	<u>34</u>	<u>3,621,601</u>	<u>40</u>	<u>6,355,340</u>	<u>38</u>	<u>7,232,521</u>	<u>40</u>
OPERATING EXPENSES (Notes 26 and 31)								
Selling expenses	248,639	3	224,167	2	471,372	3	498,949	3
General and administrative expenses	566,166	7	647,291	7	1,160,035	7	1,290,463	7
Research and development expenses	2,194,045	26	2,287,028	26	4,451,228	26	4,599,033	26
Expected credit loss	<u>3,745</u>	<u>-</u>	<u>4,924</u>	<u>-</u>	<u>8,020</u>	<u>-</u>	<u>17,528</u>	<u>-</u>
Total operating expenses	<u>3,012,595</u>	<u>36</u>	<u>3,163,410</u>	<u>35</u>	<u>6,090,655</u>	<u>36</u>	<u>6,405,973</u>	<u>36</u>
PROFIT (LOSS) FROM OPERATIONS	<u>(191,118)</u>	<u>(2)</u>	<u>458,191</u>	<u>5</u>	<u>264,685</u>	<u>2</u>	<u>826,548</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Note 31)								
Finance costs	(10,001)	-	(12,430)	-	(20,122)	-	(21,620)	-
Share of profit (loss) of associates	123,821	1	(34,532)	-	52,433	-	305,910	2
Interest income	44,095	1	47,258	1	88,638	1	89,817	-
Dividend income	59,840	1	59,840	1	59,840	-	59,840	-
Other gains and losses	26,120	-	19,094	-	(2,830)	-	8,697	-
Gains on disposal of property, plant and equipment	318	-	8,644	-	17,053	-	18,836	-
Foreign exchange gains (losses)	73,148	1	107,105	1	136,453	1	101,152	1
Losses on financial assets at fair value through profit or loss	<u>(77,050)</u>	<u>(1)</u>	<u>(72,932)</u>	<u>(1)</u>	<u>(141,709)</u>	<u>(1)</u>	<u>(75,880)</u>	<u>-</u>
Total non-operating income and expenses	<u>240,291</u>	<u>3</u>	<u>122,047</u>	<u>2</u>	<u>189,756</u>	<u>1</u>	<u>486,752</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	49,173	1	580,238	7	454,441	3	1,313,300	7
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(70,512)</u>	<u>(1)</u>	<u>(137,464)</u>	<u>(2)</u>	<u>(66,723)</u>	<u>(1)</u>	<u>(198,925)</u>	<u>(1)</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>(21,339)</u>	<u>-</u>	<u>442,774</u>	<u>5</u>	<u>387,718</u>	<u>2</u>	<u>1,114,375</u>	<u>6</u>

(Continued)

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Losses) Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 23)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	\$ (34,748)	(1)	\$ 33,563	-	\$ 36,736	-	\$ 57,086	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	(359,758)	(4)	(453,670)	(5)	(455,086)	(2)	(607,909)	(3)
Other comprehensive loss for the period, net of income tax	(394,506)	(5)	(420,107)	(5)	(418,350)	(2)	(550,823)	(3)
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>	<u>\$ (415,845)</u>	<u>(5)</u>	<u>\$ 22,667</u>	<u>=</u>	<u>\$ (30,632)</u>	<u>=</u>	<u>\$ 563,552</u>	<u>3</u>
<b>EARNINGS (LOSSES) PER SHARE (Note 27)</b>								
From continuing operations								
Basic	<u>\$ (0.05)</u>		<u>\$ 1.05</u>		<u>\$ 0.92</u>		<u>\$ 2.65</u>	
Diluted			<u>\$ 1.05</u>		<u>\$ 0.92</u>		<u>\$ 2.65</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company					Other Equity		Total Equity
	Ordinary Share	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translating of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	
			Legal Reserve	Special Reserve				
BALANCE AT JANUARY 1, 2023	\$ 4,197,653	\$ 6,871,827	\$ 958,560	\$ -	\$ 6,248,877	\$ (1,005,611)	\$ 294,632	\$ 17,565,938
Appropriation of 2022 earnings (Note 23)								
Legal reserve	-	-	488,756	-	(488,756)	-	-	-
Special reserve	-	-	-	710,979	(710,979)	-	-	-
Cash dividends	-	-	-	-	(2,938,357)	-	-	(2,938,357)
Net profit for the six months ended June 30, 2023	-	-	-	-	1,114,375	-	-	1,114,375
Other comprehensive (loss) income for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	(607,909)	57,086	(550,823)
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	1,114,375	(607,909)	57,086	563,552
Unclaimed dividends from claims extinguished by prescriptions	-	22	-	-	-	-	-	22
Disposal of subsidiaries (Note 28)	-	120,401	-	-	-	-	-	120,401
BALANCE AT JUNE 30, 2023	<u>\$ 4,197,653</u>	<u>\$ 6,992,250</u>	<u>\$ 1,447,316</u>	<u>\$ 710,979</u>	<u>\$ 3,225,160</u>	<u>\$ (1,613,520)</u>	<u>\$ 351,718</u>	<u>\$ 15,311,556</u>
BALANCE AT JANUARY 1, 2024	\$ 4,197,653	\$ 6,995,630	\$ 1,447,316	\$ 710,979	\$ 4,570,285	\$ (1,556,260)	\$ 365,441	\$ 16,731,044
Appropriation of 2023 earnings (Note 23)								
Legal reserve	-	-	245,951	-	(245,951)	-	-	-
Special reserve	-	-	-	479,840	(479,840)	-	-	-
Cash dividends	-	-	-	-	(1,259,296)	-	-	(1,259,296)
Net profit for the six months ended June 30, 2024	-	-	-	-	387,718	-	-	387,718
Other comprehensive loss for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	(455,086)	36,736	(418,350)
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	387,718	(455,086)	36,736	(30,632)
Unclaimed dividends from claims extinguished by prescriptions	-	20	-	-	-	-	-	20
BALANCE AT JUNE 30, 2024	<u>\$ 4,197,653</u>	<u>\$ 6,995,650</u>	<u>\$ 1,693,267</u>	<u>\$ 1,190,819</u>	<u>\$ 2,972,916</u>	<u>\$ (2,011,346)</u>	<u>\$ 402,177</u>	<u>\$ 15,441,136</u>

The accompanying notes are an integral part of the consolidated financial statements.

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 454,441	\$ 1,313,300
Adjustments for:		
Depreciation expense	601,928	572,532
Amortization expense	175,975	169,492
Finance costs	20,122	21,620
Expected credit loss recognized on accounts receivable	8,020	17,528
Interest income	(88,638)	(89,817)
Dividend income	(59,840)	(59,840)
Share of profit of associates	(52,433)	(305,910)
Gains on disposal of property, plant and equipment	(17,053)	(18,836)
Gains on lease modification	(7,734)	(13,586)
Others non-cash items	1,978	591
Changes in operating assets and liabilities		
(Increase) decrease in financial assets at fair value through profit or loss	52,965	30,679
Increase in accounts receivable	(153,590)	(1,024,256)
Decrease in accounts receivable from related parties	28,334	726,293
Decrease (increase) in other receivables	31,389	(425,309)
Decrease (increase) in inventories	1,596,029	(527,531)
Increase in other current assets	(40,279)	(65,604)
Decrease (increase) in other non-current assets	53,871	(43,654)
Increase (decrease) in accounts payable	105,963	(828,580)
Increase in accounts payable to related parties	10,835	458,103
Increase (decrease) in other payables	350,719	(154)
Decrease in provisions	(116,395)	(76,984)
Decrease in other current liabilities	(193,343)	(348,149)
(Decrease) increase in net defined benefit liabilities	(121,045)	11,244
Increase (decrease) in other non-current liabilities	14,704	23,065
Cash flows generated from (used in) operations	2,656,923	(483,763)
Interest received	87,435	84,276
Interest paid	(19,156)	(20,658)
Income tax paid	(158,378)	(580,605)
Dividend received	59,840	59,840
Net cash flows generated from (used in) operating activities	<u>2,626,664</u>	<u>(940,910)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of financial assets at fair value through other comprehensive income	(30,000)	-
Acquisitions of investments accounted for using the equity method	-	(59,586)
Proceeds from disposal of subsidiaries (Note 28)	-	196,798
Decrease in financial lease receivables	44,509	47,806

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# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2024	2023
Acquisitions of property, plant and equipment	\$ (858,146)	\$ (505,660)
Proceeds from disposal of property, plant and equipment	17,763	46,609
Acquisition of intangible assets	(254,593)	(166,302)
Increase in refundable deposits	(4,128)	(1,113)
(Increase) decrease in other receivables - time deposits	<u>(396)</u>	<u>5,043</u>
Net cash flows used in investing activities	<u>(1,084,991)</u>	<u>(436,405)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	3,095,100	640,090
Repayments of short-term borrowings	(3,603,820)	(314,570)
Repayments of the principal portion of lease liabilities	(96,367)	(91,769)
(Repayments of) proceeds from guarantee deposits received	<u>(14,126)</u>	<u>64,823</u>
Net cash flows (used in) generated from financing activities	<u>(619,213)</u>	<u>298,574</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(103,657)</u>	<u>(284,022)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	818,803	(1,362,763)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>6,325,394</u>	<u>10,398,185</u>
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$ 7,144,197</u>	<u>\$ 9,035,422</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

# NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

Nuvoton Technology Corporation (the “Company”) was incorporated in the Republic of China (“ROC”) in April 2008 and commenced business in July 2008. The Company is engaged mainly in the research, design, development, manufacture, and sale of logic integrated circuits (“ICs”) and the manufacturing, testing and OEM of 6-inch wafers.

For the specialization and division of labor and the reinforcement of core competitive ability, the Company’s parent company, Winbond Electronics Corporation (WEC), spun off its Logic IC business into the Company on July 1, 2008 in accordance with the Business Mergers and Acquisitions Act and the Company commenced business in July 2008. WEC held approximately 51% of the ownership interest in the Company as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

The Company’s shares have been listed on the Taiwan Stock Exchange since September 27, 2010.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s Board of Directors and authorized for issue on July 30, 2024.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

- 1) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

The amendments mainly amend the requirements for the classification of financial assets, including if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if:

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

The amendments also stipulate that, when settling a financial liability in cash using an electronic payment system, an entity can choose to derecognize the financial liability before the settlement date if, and only if, the entity has initiated a payment instruction that resulted in:

- The entity having no practical ability to withdraw, stop or cancel the payment instruction;
- The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

## 2) IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1” Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

### **Statement of Compliance**

The interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. The consolidated financial statements do not present all disclosures required for a complete set of annual consolidated financial statements under the IFRS Accounting Standards as endorsed and issued into effect by the FSC.

### **Basis of Preparation**

The consolidated financial statements have been prepared on the historical cost basis, except for the financial instruments and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less than the fair value of plan assets, that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

## Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Subsidiary included in the consolidated financial statements:

Investor	Investee	Main Business	Percentage of Ownership (%)		
			June 30, 2024	December 31, 2023	June 30, 2023
The Company	Nuvoton Electronics Technology (H.K.) Limited (“NTHK”)	Sales of semiconductor	100	100	100
	Marketplace Management Limited (“MML”)	Investment holding	100	100	100
	Nuvoton Investment Holding Ltd. (“NIH”)	Investment holding	100	100	100
	Song Yong Investment Corporation (“SYI”)	Investment holding	100	100	100
	Nuvoton Technology India Private Limited (“NTIPL”)	Design, sales and after-sales service of semiconductor	100	100	100
	Nuvoton Technology Corporation America (“NTCA”)	Design, sales and after-sales service of semiconductor	100	100	100
	Nuvoton Technology Holdings Japan (“NTHJ”)	Investment holding	100	100	100
	Nuvoton Technology Singapore Pte. Ltd. (“NTSG”)	Design, sales and after-sales service of semiconductor	100	100	100
	Nuvoton Technology Korea Limited (“NTKL”)	Design, sales and after-sales service of semiconductor	100	100	100
	Nuvoton Technology Germany GmbH (“NTG”) (Note 1)	Customer service and technical support of semiconductor	100	100	-
NTHK	Nuvoton Electronics Technology (Shenzhen) Limited (“NTSZ”)	Computer software service (except I.C. design), wholesale business for computer, supplement and software	100	100	100
	Nuvoton Electronics Technology (Nanjing) (“NTNJ”) (Note 2)	Provides development of semiconductor and technology, consult service and sales	100	-	-
	Nuvoton Electronics Technology (Shanghai) Limited (“NTSH”) (Note 3)	Provides projects for sale in China and repairing, testing and consulting of software and leasing business	100	-	-
MML	Goldbond LLC (“GLLC”)	Investment holding	100	100	100
GLLC	Nuvoton Electronics Technology (Shanghai) Limited (“NTSH”) (Note 3)	Provides projects for sale in China and repairing, testing and consulting of software and leasing business	-	100	100
	Winbond Electronics (Nanjing) Ltd. (“WENJ”) (Note 4)	Computer software service (except I.C. design)	-	-	-
NTSH	Song Zhi Electronics Technology (Suzhou) (“Song Zhi Suzhou”)	Provide development of semiconductor and technology, consult service and equipment leasing business	100	100	100
NIH	Nuvoton Technology Israel Ltd. (“NTIL”)	Design and service of semiconductor	100	100	100
NTHJ	Nuvoton Technology Corporation Japan (“NTCJ”)	Design, sales and after-sales service of semiconductor	100	100	100
NTCJ	Atfields Manufacturing Technology Corporation (“AMTC”) (Note 5)	Design and service of semiconductor	-	-	-

Note 1: The Company established NTG in Germany in December 2023 and acquired 100% of ownership.

Note 2: NTHK established NTNJ in China in January 2024 and acquired 100% of ownership.

Note 3: GLLC sold 100% ownership of NTSH to NTHK in May 2024. This equity transaction was deemed as a structure reorganization.

Note 4: WENJ has completed the cancellation and liquidation process in May 2023.

Note 5: NTCJ has sold all of its shares of AMTC to WEC Company in January 2023, refer to Note 28 to the consolidated financial statements.

## Retirement Benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and rereasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liabilities are recognized as employee benefits expense in the period in which they occur. Rereasurement, comprising actuarial gains and losses and the return on plan assets excluding interest, is recognized in other comprehensive income in the period in which it occurs. Rereasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

### **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Material accounting judgments and key sources of estimation uncertainty are as below:

### **Write-down of Inventories**

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

## **6. CASH AND CASH EQUIVALENTS**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Cash and deposits in banks	\$ 6,919,197	\$ 6,161,894	\$ 8,824,422
Repurchase agreements collateralized by bonds	<u>225,000</u>	<u>163,500</u>	<u>211,000</u>
	<u>\$ 7,144,197</u>	<u>\$ 6,325,394</u>	<u>\$ 9,035,422</u>

- a. Please refer to Note 32 to the consolidated financial statements for the amount of refundable deposits pledged to secure land leases, customs tariff obligations and borrowings.
- b. The Group has time deposits which are not held for the purpose of meeting short-term cash commitments and are reclassified to “other receivables” as follows (Note 10 to the consolidated financial statements):

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Time deposits	<u>\$ 7,780</u>	<u>\$ 7,384</u>	<u>\$ 51,171</u>

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
<u>Financial assets - current</u>			
Held for trading			
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 22,422</u>	<u>\$ -</u>
<u>Financial assets - non-current</u>			
Mandatorily measured at FVTPL			
Domestic and oversea warrants	<u>\$ 81,125</u>	<u>\$ 76,763</u>	<u>\$ 77,850</u>
<u>Financial liabilities - current</u>			
Held for trading			
Foreign exchange forward contracts	<u>\$ 35,691</u>	<u>\$ 786</u>	<u>\$ 36,272</u>

At the end of the reporting period, the outstanding foreign exchange forward contracts not treated under hedge accounting were as follows:

	<b>Currency</b>	<b>Maturity Date</b>	<b>Contract Amount (In Thousands)</b>
<u>June 30, 2024</u>			
Sell forward exchange contracts	USD/NTD	2024.07.22-2024.08.22	USD27,000/NTD868,111
	USD/JPY	2024.07.03-2024.08.08	USD32,000/JPY4,996,295
<u>December 31, 2023</u>			
Sell forward exchange contracts	USD/NTD	2024.01.03-2024.01.23	USD21,000/NTD653,226
	USD/JPY	2024.01.12-2024.02.14	USD28,200/JPY4,041,691
<u>June 30, 2023</u>			
Sell forward exchange contracts	USD/NTD	2023.07.06-2023.08.22	USD25,000/NTD769,096
	USD/JPY	2023.07.06-2023.08.22	USD41,500/JPY5,861,273

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. These foreign exchange forward contracts did not meet the criteria for hedge accounting, therefore, the Group did not apply hedge accounting treatment.

## 8. ACCOUNTS RECEIVABLE, NET

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Accounts receivable (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 4,067,711	\$ 4,165,734	\$ 4,619,340
Less: Allowance for impairment loss	<u>(52,764)</u>	<u>(43,729)</u>	<u>(51,892)</u>
	<u>\$ 4,014,947</u>	<u>\$ 4,122,005</u>	<u>\$ 4,567,448</u>

The average credit period of sales of goods was 30-60 days. No interest was charged on accounts receivable. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Group annually.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the customer and the customer's current financial position, adjusted for economic conditions of the industry in which the customer operates, as well as the GDP forecast and industry outlooks. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

The Group writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.



The following table details the loss allowance of accounts receivable (including related parties) based on the Group's provision matrix.

June 30, 2024

	Not Overdue	Overdue under 30 Days	Overdue 31 - 90 Days	Overdue 91 - 180 Days	Over 180 Days	Total
Expected credit loss rate	0.1-2%	2%	10%	20%	50%	
Gross carrying amount	\$ 4,046,492	\$ 19,100	\$ 1,305	\$ 814	\$ -	\$ 4,067,711
Loss allowance (lifetime ECL)	<u>(52,088)</u>	<u>(382)</u>	<u>(131)</u>	<u>(163)</u>	<u>-</u>	<u>(52,764)</u>
Amortized cost	<u>\$ 3,994,404</u>	<u>\$ 18,718</u>	<u>\$ 1,174</u>	<u>\$ 651</u>	<u>\$ -</u>	<u>\$ 4,014,947</u>

December 31, 2023

	Not Overdue	Overdue under 30 Days	Overdue 31 - 90 Days	Overdue 91 - 180 Days	Over 180 Days	Total
Expected credit loss rate	0.1-2%	2%	10%	20%	50%	
Gross carrying amount	\$ 4,138,023	\$ 24,878	\$ 860	\$ 1,973	\$ -	\$ 4,165,734
Loss allowance (lifetime ECL)	<u>(42,750)</u>	<u>(498)</u>	<u>(86)</u>	<u>(395)</u>	<u>-</u>	<u>(43,729)</u>
Amortized cost	<u>\$ 4,095,273</u>	<u>\$ 24,380</u>	<u>\$ 774</u>	<u>\$ 1,578</u>	<u>\$ -</u>	<u>\$ 4,122,005</u>

June 30, 2023

	Not Overdue	Overdue under 30 Days	Overdue 31 - 90 Days	Overdue 91 - 180 Days	Over 180 Days	Total
Expected credit loss rate	0.1-2%	2%	10%	20%	50%	
Gross carrying amount	\$ 4,604,033	\$ 9,772	\$ 5,535	\$ -	\$ -	\$ 4,619,340
Loss allowance (lifetime ECL)	<u>(51,143)</u>	<u>(195)</u>	<u>(554)</u>	<u>-</u>	<u>-</u>	<u>(51,892)</u>
Amortized cost	<u>\$ 4,552,890</u>	<u>\$ 9,577</u>	<u>\$ 4,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,567,448</u>

The movements of the loss allowance of accounts receivable were as follows:

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 43,729	\$ 34,115
Add: Net remeasurement of loss allowance	8,020	17,528
Foreign currency exchange gains and losses	<u>1,015</u>	<u>249</u>
Balance at June 30	<u>\$ 52,764</u>	<u>\$ 51,892</u>

The Group's provision for losses on accounts receivable was recognized on a collective basis.

## 9. FINANCE LEASE RECEIVABLES

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Undiscounted lease payments</u>			
Year 1	\$ 65,181	\$ 93,586	\$ 92,638
Year 2	<u>-</u>	<u>23,397</u>	<u>69,479</u>
	65,181	116,983	162,117
Less: Unearned finance income	<u>(599)</u>	<u>(1,606)</u>	<u>(2,958)</u>
Finance lease receivables	<u>\$ 64,582</u>	<u>\$ 115,377</u>	<u>\$ 159,159</u>
Current	\$ 64,582	\$ 92,088	\$ 90,318
Non-current	<u>-</u>	<u>23,289</u>	<u>68,841</u>
	<u>\$ 64,582</u>	<u>\$ 115,377</u>	<u>\$ 159,159</u>

The average lease term of finance lease receivables recognized by the Group from TPSCo. for the lease of property, plant and equipment and intangible assets is three years. The contract has an average implied interest rate of approximately both 1.85% per annum in 2024 and 2023. Refer to Note 31 to the consolidated financial statements for details finance lease contracts.

## 10. OTHER RECEIVABLES

	June 30, 2024	December 31, 2023	June 30, 2023
Business tax refund receivable	\$ 252,950	\$ 293,243	\$ 534,639
Tax refund receivables	66,575	1,262	2,593
Time deposits (Note 6)	7,780	7,384	51,171
Others	<u>119,869</u>	<u>110,686</u>	<u>150,000</u>
	<u>\$ 447,174</u>	<u>\$ 412,575</u>	<u>\$ 738,403</u>

## 11. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Raw materials and supplies	\$ 549,083	\$ 521,147	\$ 534,720
Work in process	4,141,609	4,944,496	5,587,753
Finished goods	1,437,447	2,288,440	2,213,391
Inventories in transit	<u>32,198</u>	<u>2,283</u>	<u>94,953</u>
	<u>\$ 6,160,337</u>	<u>\$ 7,756,366</u>	<u>\$ 8,430,817</u>

The operating cost for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 were NT\$5,406,439 thousand, NT\$5,331,433 thousand, NT\$10,340,831 thousand and NT\$10,676,325 thousand, respectively. The net (losses) gains of inventory write-downs, obsolescence and abandonment of inventories for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 were NT\$(143,037) thousand, NT\$(217,804) thousand, NT\$174,459 thousand and NT\$(334,071) thousand, respectively.

The inventory write-downs for the six months ended June 30, 2024 were reversed as a result of the elimination of inventories that were recognized in inventory write-downs.

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments at FVTOCI:

	June 30, 2024	December 31, 2023	June 30, 2023
Listed shares and emerging market shares			
Nyquest Technology Co., Ltd.	\$ 116,490	\$ 132,660	\$ 113,025
Brightek Optoelectronic Co., Ltd.	1,613	1,423	1,054
Unlisted shares			
United Industrial Gases Co., Ltd.	554,400	536,800	545,600
Yu-Ji Venture Capital Co., Ltd.	7,540	7,324	9,355
Autotalks Ltd. - Preferred E. Share	649,000	614,100	622,800
Allxon Inc.	56,250	56,250	45,000
AionChip Technologies Co., Ltd.	30,000	-	-
Symetrix Corporation - Preferred A. Share	-	-	-
	<u>\$ 1,415,293</u>	<u>\$ 1,348,557</u>	<u>\$ 1,336,834</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management decided to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In June 2023, The Group executes the Allxon Inc. stock warrants conversion to acquired 5,625 thousand preferred shares and expected to profit through long-term investments. Therefore, it was reclassification of financial assets at fair value through profit or loss to the financial assets at fair value through other comprehensive income.

The Group recognized dividend income of both NT\$59,840 thousand for the three months ended and six months ended June 30, 2024 and 2023, respectively.

The Company invested AionChip Technologies Co., Ltd. in May 2024 and acquired 8.25% of ownership interest.

## 13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

	June 30, 2024	December 31, 2023	June 30, 2023
Tower Partners Semiconductor Co., Ltd. ("TPSCo.")	<u>\$ 1,755,363</u>	<u>\$ 1,824,673</u>	<u>\$ 1,936,491</u>

As of June 30, 2024, December 31, 2023 and June 30, 2023, NTCJ has held TPSCo.'s 49,539 shares with a direct shareholding of 49%.

The equity method of investment and the Groups' share of profit or loss of the investment was calculated based on the associate's financial statement which has been reviewed by independent auditors for the respective period.

#### 14. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2024	December 31, 2023	June 30, 2023
Land	\$ 1,675,253	\$ 1,801,369	\$ 1,749,349
Buildings	1,689,108	1,740,796	1,739,511
Machinery and equipment	1,589,087	1,595,440	1,623,459
Other equipment	333,530	309,192	295,626
Construction in progress and prepayments for purchase of equipment	<u>573,733</u>	<u>338,900</u>	<u>66,830</u>
	<u>\$ 5,860,711</u>	<u>\$ 5,785,697</u>	<u>\$ 5,474,775</u>

	Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress and Prepayments for Purchase of Equipment	Total
<u>Cost</u>						
Balance at January 1, 2024	\$ 1,801,369	\$ 19,481,913	\$ 44,016,907	\$ 3,072,159	\$ 338,900	\$ 68,711,248
Additions	-	36,595	67,829	13,943	748,350	866,717
Disposals	-	(7,992)	(1,447,335)	(41,121)	-	(1,496,448)
Reclassified	-	103,603	261,073	118,084	(484,686)	(1,926)
Effects of foreign currency exchange differences	<u>(126,116)</u>	<u>(1,122,714)</u>	<u>(2,211,953)</u>	<u>(176,430)</u>	<u>(28,831)</u>	<u>(3,666,044)</u>
Balance at June 30, 2024	<u>1,675,253</u>	<u>18,491,405</u>	<u>40,686,521</u>	<u>2,986,635</u>	<u>573,733</u>	<u>64,413,547</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2024	-	17,741,117	42,421,467	2,762,967	-	62,925,551
Disposals	-	(7,882)	(1,446,619)	(41,237)	-	(1,495,738)
Depreciation expense	-	82,672	267,086	96,607	-	446,365
Effects of foreign currency exchange differences	<u>-</u>	<u>(1,013,610)</u>	<u>(2,144,501)</u>	<u>(165,232)</u>	<u>-</u>	<u>(3,323,342)</u>
Balance at June 30, 2024	<u>-</u>	<u>16,802,297</u>	<u>39,097,434</u>	<u>2,653,105</u>	<u>-</u>	<u>58,552,836</u>
Carrying amounts at June 30, 2024	<u>\$ 1,675,253</u>	<u>\$ 1,689,108</u>	<u>\$ 1,589,087</u>	<u>\$ 333,530</u>	<u>\$ 573,733</u>	<u>\$ 5,860,711</u>

<u>Cost</u>						
Balance at January 1, 2023	\$ 1,890,924	\$ 20,490,249	\$ 54,320,817	\$ 3,341,453	\$ 216,733	\$ 80,260,176
Additions	-	17,317	102,397	14,853	396,788	531,355
Disposals	-	(15,517)	(1,087,950)	(100,084)	-	(1,203,551)
Disposal of subsidiaries	-	-	-	(6,813)	-	(6,813)
Reclassified	-	23,987	417,271	99,777	(539,662)	1,373
Effects of foreign currency exchange differences	<u>(141,575)</u>	<u>(1,254,300)</u>	<u>(3,173,551)</u>	<u>(219,632)</u>	<u>(7,029)</u>	<u>(4,796,087)</u>
Balance at June 30, 2023	<u>1,749,349</u>	<u>19,261,736</u>	<u>50,578,984</u>	<u>3,129,554</u>	<u>66,830</u>	<u>74,786,453</u>

(Continued)

	<b>Land</b>	<b>Buildings</b>	<b>Machinery and Equipment</b>	<b>Other Equipment</b>	<b>Construction in Progress and Prepayments for Purchase of Equipment</b>	<b>Total</b>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2023	\$ -	\$ 18,581,344	\$ 52,849,852	\$ 3,064,895	\$ -	\$ 74,496,091
Disposals	-	(14,545)	(1,061,288)	(99,945)	-	(1,175,778)
Depreciation expense	-	84,236	254,984	80,082	-	419,302
Disposal of subsidiaries	-	-	-	(4,837)	-	(4,837)
Effects of foreign currency exchange differences	-	(1,128,810)	(3,088,023)	(206,267)	-	(4,423,100)
Balance at June 30, 2023	<u>-</u>	<u>17,522,225</u>	<u>48,955,525</u>	<u>2,833,928</u>	<u>-</u>	<u>69,311,678</u>
Carrying amounts at June 30, 2023	<u>\$ 1,749,349</u>	<u>\$ 1,739,511</u>	<u>\$ 1,623,459</u>	<u>\$ 295,626</u>	<u>\$ 66,830</u>	<u>\$ 5,474,775</u>

(Concluded)

For the three months ended June 30, 2024, the reclassification of property, plant and equipment includes transfers from construction in progress and prepayments for purchase of equipment to expenses of a decrease of NT\$1,926 thousand.

Refer to Note 32 to the consolidated financial statements for the amount of property, plant and equipment pledged as collateral for bank borrowings.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
<u>Carrying amounts</u>			
Land	\$ 114,962	\$ 127,725	\$ 137,577
Buildings	284,610	247,567	259,091
Machinery and equipment	104,543	118,495	123,294
Other equipment	<u>24,997</u>	<u>27,125</u>	<u>25,965</u>
	<u>\$ 529,112</u>	<u>\$ 520,912</u>	<u>\$ 545,927</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Additions to right-of-use assets	\$ <u>34,691</u>	\$ <u>12,342</u>	\$ <u>131,975</u>	\$ <u>26,130</u>
Depreciation for right-of-use assets				
Land	\$ 6,382	\$ 6,317	\$ 12,764	\$ 12,634
Buildings	32,608	28,679	62,897	57,709
Machinery and equipment	2,761	3,122	5,718	6,331
Other equipment	<u>4,621</u>	<u>3,764</u>	<u>9,502</u>	<u>7,375</u>
	\$ <u>46,372</u>	\$ <u>41,882</u>	\$ <u>90,881</u>	\$ <u>84,049</u>
Income from the subleasing of right-of-use assets (presented in other income)	\$ <u>2,481</u>	\$ <u>2,477</u>	\$ <u>4,692</u>	\$ <u>3,678</u>

b. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Carrying amounts</u>			
Current	\$ <u>158,983</u>	\$ <u>156,298</u>	\$ <u>160,482</u>
Non-current	\$ <u>382,972</u>	\$ <u>384,600</u>	\$ <u>411,735</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	1.76%-2.06%	1.76%-2.06%	1.76%-2.06%
Buildings	0.14%-7.46%	0.14%-5.24%	0.14%-3.03%
Machinery and equipment	0.48%-0.80%	0.48%-0.80%	0.48%-0.80%
Other equipment	0.14%-5.10%	0.14%-5.10%	0.14%-4.89%

For the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023, the interest expense under lease liabilities amounted to NT\$3,041 thousand, NT\$2,348 thousand, NT\$5,749 thousand and NT\$4,846 thousand, respectively.

c. Material lease-in activities and terms

The Group leased parcels of land from Science Park Administration, and the lease term will expire in December 2027, which can be extended after the expiration of the lease periods.

The Group leased parcels of land from Taiwan Sugar Corporation under a twenty-year term from October 2014 to September 2034, which is allowed to extend after the expiration of lease. The chairman of the Company, is a joint guarantor of such lease (refer to Note 31 to the consolidated financial statements).

The Group leased some of the offices spaces in the United States, China, Israel, India, Korea and Taiwan, and the lease terms will expire between 2024 and 2032 which can be extended after the expiration of the lease periods.

d. Subleases

The Group subleases its right-of-use assets for buildings under operating leases.

The maturity analysis of lease payments receivable under operating subleases is as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Year 1	\$ 6,681	\$ 6,816	\$ 4,408
Year 2	5,672	2,105	116
Year 3	1,860	-	-
Year 4	-	-	-
Year 5	-	-	-
Year 5 onwards	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 14,213</u>	<u>\$ 8,921</u>	<u>\$ 4,524</u>

To reduce the residual asset risk related to the subleased asset at the end of the relevant sublease, the lease contract between the Group and the lessee includes the receipt of the deposits and the compensation for damage due to the lack of management and maintenance.

e. Other lease information

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Expenses relating to short-term leases	<u>\$ 19,214</u>	<u>\$ 71,142</u>	<u>\$ 41,776</u>	<u>\$ 127,159</u>
Total cash outflow for leases			<u>\$ (142,873)</u>	<u>\$ (222,950)</u>

The Group leases certain buildings, machinery and transportation equipment which qualified as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

## 16. INVESTMENT PROPERTIES

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Investment properties, net	<u>\$ 1,378,794</u>	<u>\$ 1,549,000</u>	<u>\$ 1,599,384</u>

The fair value of investment properties held by the company was NT\$2,443,494 thousand as of December 31, 2022 of which were assessed by independent qualified professional appraisers was NT\$2,243,494 thousand. The Group's management evaluated the fair value of the remaining investment properties with valuation model commonly used by market participants, and the fair value was measured using Level 3 inputs. The Group's management evaluated and determined that the fair value of the investment properties had not changed significantly, compared to the fair value of the investment properties as of June 30, 2024, December 31, 2023 and June 30, 2023.

	<b>For the Six Months Ended</b>	
	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
<u>Cost</u>		
Balance at January 1	\$ 7,165,730	\$ 7,662,122
Effect of foreign currency exchange differences	(501,600)	(569,000)
Balance at June 30	<u>6,664,130</u>	<u>7,093,122</u>
<u>Accumulated depreciation and impairment</u>		
Balance at January 1	5,616,730	5,863,962
Depreciation expense	64,682	69,181
Effect of foreign currency exchange differences	(396,076)	(439,405)
Balance at June 30	<u>5,285,336</u>	<u>5,493,738</u>
Carrying amount at June 30	<u>\$ 1,378,794</u>	<u>\$ 1,599,384</u>

The investment properties were leased out for 3 to 12 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The analysis of lease payments receivable under operating leases of investment properties was as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Year 1	\$ 132,397	\$ 146,532	\$ 154,299
Year 2	133,893	143,790	145,799
Year 3	133,977	143,872	138,675
Year 4	134,000	143,894	138,675
Year 5	130,910	140,886	138,675
Year 5 onwards	<u>357,765</u>	<u>455,304</u>	<u>520,031</u>
	<u>\$ 1,022,942</u>	<u>\$ 1,174,278</u>	<u>\$ 1,236,154</u>

To reduce the residual asset risk related to the subleased asset at the end of the relevant sublease, the lease contract between the Group and the lessee includes the receipt of the deposits and the compensation for damage due to the lack of management and maintenance.

Please refer to Note 32 to the consolidated financial statements for the amount of investment properties pledged as collateral for bank borrowings.



## 17. INTANGIBLE ASSETS

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Deferred technical assets	\$ 355,899	\$ 357,994	\$ 439,840
Other intangible assets	<u>195,784</u>	<u>192,900</u>	<u>146,669</u>
	<u>\$ 551,683</u>	<u>\$ 550,894</u>	<u>\$ 586,509</u>
	<b>Deferred Technical Assets</b>	<b>Other Intangible Assets</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2024	\$ 2,125,404	\$ 1,102,150	\$ 3,227,554
Additions	113,591	74,029	187,620
Reclassification	17,918	(17,970)	(52)
Effects of foreign currency exchange differences	<u>(1,840)</u>	<u>(63,957)</u>	<u>(65,797)</u>
Balance at June 30, 2024	<u>2,255,073</u>	<u>1,094,252</u>	<u>3,349,325</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2024	1,767,410	909,250	2,676,660
Amortization expense	130,910	45,065	175,975
Effects of foreign currency exchange differences	854	(55,847)	(54,993)
Balance at June 30, 2024	<u>1,899,174</u>	<u>898,468</u>	<u>2,797,642</u>
Carrying amounts at June 30, 2024	<u>\$ 355,899</u>	<u>\$ 195,784</u>	<u>\$ 551,683</u>
<u>Cost</u>			
Balance at January 1, 2023	\$ 2,062,573	\$ 1,136,379	\$ 3,198,952
Additions	188	42,998	43,186
Disposals	-	(5,864)	(5,864)
Disposal of subsidiaries	-	(7,243)	(7,243)
Reclassification	22,693	(24,066)	(1,373)
Effects of foreign currency exchange differences	<u>(9,215)</u>	<u>(70,252)</u>	<u>(79,467)</u>
Balance at June 30, 2023	<u>2,076,239</u>	<u>1,071,952</u>	<u>3,148,191</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2023	1,511,960	964,235	2,476,195
Amortization expense	130,215	39,277	169,492
Disposals	-	(5,273)	(5,273)
Disposal of subsidiaries	-	(6,703)	(6,703)
Effects of foreign currency exchange differences	<u>(5,776)</u>	<u>(66,253)</u>	<u>(72,029)</u>
Balance at June 30, 2023	<u>1,636,399</u>	<u>925,283</u>	<u>2,561,682</u>
Carrying amounts at June 30, 2023	<u>\$ 439,840</u>	<u>\$ 146,669</u>	<u>\$ 586,509</u>

## 18. BORROWINGS

### a. Short-term borrowings

	June 30, 2024		December 31, 2023		June 30, 2023	
	Interest Rate	Amount	Interest Rate	Amount	Interest Rate	Amount
<u>Secured borrowings</u>						
Chinatrust Commercial Bank Co., Ltd.	1.36%-1.39%	\$ 504,250	1.17%-1.18%	\$ 847,080	1.17%	\$ 1,204,000
<u>Unsecured borrowings</u>						
Chinatrust Commercial Bank Co., Ltd.	-	-	1.00%-1.01%	217,200	1.00%	107,500
		<u>\$ 504,250</u>		<u>\$ 1,064,280</u>		<u>\$ 1,311,500</u>

The above short-term borrowings from Chinatrust Commercial Bank Co., Ltd. are guaranteed by the parent company. Refer to Note 31 to the consolidated financial statements for related information.

### b. Long-term borrowings

	Period	Interest Rate	June 30, 2024	December 31, 2023	June 30, 2023
<u>Unsecured borrowings</u>					
The Export-Import Bank of ROC	2019.09.20-2026.09.21	1.81%	\$ -	\$ -	\$ 500,000
The Export-Import Bank of ROC	2020.08.25-2027.08.25	1.94%	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
			1,000,000	1,000,000	1,500,000
Less: Current portion			<u>(285,714)</u>	<u>(142,857)</u>	<u>(142,857)</u>
			<u>\$ 714,286</u>	<u>\$ 857,143</u>	<u>\$ 1,357,143</u>

The proceeds of the Group's unsecured loan was invested in Autotalks Ltd. and acquired Panasonic's semiconductor business in Japan. Partial loans have been completed early repayment in the third quarter of 2023.

To repay outstanding debt and enhance mid-term working capital, NTCJ entered into a JPY30 billion syndicated loan agreement with banks on May 17, 2021, which include Chinatrust Commercial Bank Co., Ltd. and other banks. Pursuant to the loan contract, the Company should hold at least 100% of the issued shares or capital and maintain control over the operation of NTCJ, and NTCJ Company must maintain the financial debt ratio not to be lower than certain level during the loan period. The aforementioned financial ratio is calculated based on the audited consolidated financial statements.

Please refer to Note 32 to the consolidated financial statements for the collateral of the syndicated loan.

## 19. OTHER PAYABLES

	June 30, 2024	December 31, 2023	June 30, 2023
Payable for salaries or employee benefits	\$ 1,581,874	\$ 1,115,611	\$ 1,784,854
Payable for purchase of equipment	357,867	349,296	177,313
Payable for royalties	338,676	372,295	378,113
Payable for service	126,722	130,706	116,798
Payable for maintenance	112,567	239,369	118,914
Payable for professional fee	65,187	26,892	62,345
Payable for utilities	56,183	70,005	60,518
Payable for software	33,349	74,190	45,248
Others	<u>1,588,955</u>	<u>1,590,772</u>	<u>1,536,400</u>
	<u>\$ 4,261,380</u>	<u>\$ 3,969,136</u>	<u>\$ 4,280,503</u>

## 20. PROVISIONS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Decommissioning costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,666</u>
<u>Non-current</u>			
Employee benefits	\$ 1,187,517	\$ 1,360,661	\$ 1,374,065
Decommissioning costs	443,337	477,406	472,570
Warranties	<u>340,243</u>	<u>396,966</u>	<u>465,756</u>
	<u>\$ 1,971,097</u>	<u>\$ 2,235,033</u>	<u>\$ 2,312,391</u>

The Group acquired Panasonic's semiconductor business in September 2020. Some fabs will be closed due to low capacity utilization, decommissioning costs and labor costs were accounted separately for decommissioning liabilities and employee benefits provision.

## 21. RETIREMENT BENEFIT PLANS

Employee benefit expense in respect of the Company's defined benefit retirement plans was calculated using the actuarially determined pension cost discount rate as of December 31, 2023 and 2022, and recognized NT\$13,842 thousand, NT\$13,304 thousand, NT\$27,717 thousand and NT\$25,968 thousand for the three months ended and six months ended June 30, 2024 and 2023, respectively.

## 22. GUARANTEE DEPOSITS

	June 30, 2024	December 31, 2023	June 30, 2023
Capacity guarantee	\$ 1,284,048	\$ 1,783,150	\$ 2,251,110
Others	<u>66,272</u>	<u>62,848</u>	<u>57,452</u>
	<u>\$ 1,350,320</u>	<u>\$ 1,845,998</u>	<u>\$ 2,308,562</u>

When the contract expires, the capacity guarantee deposits will be refunded to customers by offsetting related accounts receivable or returned, since the aforementioned contract's period all exceeds one year, guarantee deposits are accounted as non-current liabilities.

## 23. EQUITY

### a. Share capital

#### Ordinary shares

	June 30, 2024	December 31, 2023	June 30, 2023
Shares authorized (in thousands of shares)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Shares authorized	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>419,765</u>	<u>419,765</u>	<u>419,765</u>
Shares issued and fully paid	<u>\$ 4,197,653</u>	<u>\$ 4,197,653</u>	<u>\$ 4,197,653</u>
Par value (in New Taiwan dollars)	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>

As of June 30, 2024, December 31, 2023 and June 30, 2023, the balance of the Company's capital account amounted to NT\$4,197,653 thousand, divided into 419,765 thousand ordinary shares with a par value of NT\$10.

### b. Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*</u>			
Additional paid-in capital	\$ 5,203,712	\$ 5,203,712	\$ 5,200,332
Conversion of bonds	1,481,180	1,481,180	1,481,180
<u>May only be used to offset a deficit</u>			
Overdue dividends unclaimed	120	100	100
Share of changes in capital surplus of associates or joint ventures (disposals of subsidiaries)	<u>310,638</u>	<u>310,638</u>	<u>310,638</u>
	<u>\$ 6,995,650</u>	<u>\$ 6,995,630</u>	<u>\$ 6,992,250</u>

\* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividends policy

The shareholders held their regular meeting on May 29, 2020 and resolved the amendments to the Company's dividend distribution policy in the Company's Articles of Incorporation (the "Articles"). Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The board of directors shall be authorized to distribute the profit, the legal reserve, and the capital plus in cash upon resolution by a majority vote at a board meeting attended by two-thirds or more of the directors, and shall report the same to the shareholders' meeting. In principle, not less than 10% of the total shareholders' bonus shall be distributed in the form of cash. For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 26 to the consolidated financial statements.

Appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings and dividends per share for 2023 and 2022 were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividends Per Share (NT\$)</b>	
	<b>For Year 2023</b>	<b>For Year 2022</b>	<b>For Year 2023</b>	<b>For Year 2022</b>
Legal reserve	\$ 245,951	\$ 488,756		
Special reserve	479,840	710,979		
Cash dividends	<u>1,259,296</u>	<u>2,938,357</u>	\$ 3.00	\$ 7.00
	<u>\$ 1,985,087</u>	<u>\$ 4,138,092</u>		

When the Group's distributing surplus, the additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRS. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and is thereafter distributed.

Expect for the cash dividends were distributed by the Company's board meeting on March 5, 2024 and March 7, 2023, respectively, the rest of the 2023 and 2022 appropriation of earnings were proposed by the Company's board meeting and were resolved by the shareholders regular meeting on May 28, 2024 and May 26, 2023, respectively.

d. Other equity items

- 1) The exchange differences arising on translation of foreign operations' net assets from its functional currency to the Group's presentation currency (New Taiwan dollar) are recognized directly in other comprehensive income. For the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023, other comprehensive loss was NT\$359,758 thousand, NT\$453,670 thousand, NT\$455,086 thousand and NT\$607,909 thousand, respectively.
- 2) Unrealized valuation gains (losses) on financial assets at FVTOCI

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 365,441	\$ 294,632
Recognized for the period	<u>36,736</u>	<u>57,086</u>
Balance at June 30	<u>\$ 402,177</u>	<u>\$ 351,718</u>

Unrealized gains (losses) on financial assets at FVTOCI represents the cumulative gains or losses arising from the fair value measurement on financial assets at FVTOCI that are recognized in other comprehensive income. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

## 24. REVENUE

Refer to Note 36 to the consolidated financial statements for the Group's revenue.

## 25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax				
In respect of the current year	\$ 87,852	\$ 137,789	\$ 73,192	\$ 220,078
Adjustment for prior years' tax	157	193	(49)	193
Deferred tax				
In respect of the current year	<u>(17,497)</u>	<u>(518)</u>	<u>(6,420)</u>	<u>(21,346)</u>
Income tax expense recognized in profit or loss	<u>\$ 70,512</u>	<u>\$ 137,464</u>	<u>\$ 66,723</u>	<u>\$ 198,925</u>

b. Income tax assessments

The Company's income tax returns through 2022 have been examined and approved by the tax authorities.

c. Pillar Two Income Tax Act

In March 2023, the local government of the country where the NTCJ was registered had substantively legislated the Pillar Two Income Tax Act, which came into effect on April 1, 2024.

Under the Act, NTCJ is required to pay supplementary tax in Japan on profits taxed below the effective tax rate of 15%. As of June 30, 2024, the country where Pillar Two income tax effected, had no relevant income tax impact on the Group. The Group also continues to review the impact of the Pillar Two Income Tax Act on its future financial performance.

## 26. EMPLOYEE BENEFITS EXPENSE, DEPRECIATION AND AMORTIZATION

	For the Three Months Ended June 30							
	2024				2023			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Losses	Total	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Losses	Total
Employee benefits expense								
Short-term employment benefits	\$ 203,086	\$ 1,618,830	\$ -	\$ 1,821,916	\$ 258,682	\$ 1,763,286	\$ -	\$ 2,021,968
Post-employment benefits	10,624	126,877	-	137,501	9,612	119,729	-	129,341
Depreciation	149,891	117,162	32,082	299,135	148,607	103,616	35,182	287,405
Amortization	1,435	86,913	-	88,348	2,226	83,044	-	85,270

  

	For the Six Months Ended June 30							
	2024				2023			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Losses	Total	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Losses	Total
Employee benefits expense								
Short-term employment benefits	\$ 446,218	\$ 3,254,555	\$ -	\$ 3,700,773	\$ 481,007	\$ 3,456,056	\$ -	\$ 3,937,063
Post-employment benefits	21,144	229,273	-	250,417	19,550	237,250	-	256,800
Depreciation	303,131	233,676	65,121	601,928	293,802	208,245	70,485	572,532
Amortization	2,732	173,243	-	175,975	4,159	165,333	-	169,492

According to the Company's Articles, the Company accrued employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of director.

For the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023, the employees' compensation and remuneration of directors were as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Employees' compensation	\$ 1,075	\$ 33,469	\$ 29,530	\$ 80,863
Remuneration of directors	179	5,578	4,922	13,477

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The employees' compensation and remuneration to the directors of 2023 and 2022, which were approved by the Company's board of directors on March 5, 2024 and March 7, 2023, respectively, were as below:

	2023		2022	
	Amount	%	Amount	%
Employees' cash compensation	\$ 167,459	6	\$ 306,214	6
Remuneration of directors	27,910	1	51,036	1

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 27. EARNINGS (LOSSES) PER SHARE

The numerators and denominators used in calculating earnings (losses) per share ("EPS") were as follows:

	For the Three Months Ended June 30					
	2024			2023		
	Amounts (Numerator)	Shares (Denominator)	Earnings Per Share (NT\$)	Amounts (Numerator)	Shares (Denominator)	Earnings Per Share (NT\$)
	After Income Tax (Attributable to Owners of the Company)	(In Thousands)	After Income Tax (Attributable to Owners of the Company)	After Income Tax (Attributable to Owners of the Company)	(In Thousands)	After Income Tax (Attributable to Owners of the Company)
Basic earnings (losses) per share						
Net (loss) profit attributed to owners of the Company	\$ (21,339)	419,765	\$ (0.05)	\$ 442,774	419,765	\$ 1.05
Effect of potentially dilutive ordinary shares						
Employees' compensation				-	629	
Diluted earnings per share						
Net profit attributed to owners of the Company				\$ 442,774	420,394	\$ 1.05
	For the Six Months Ended June 30					
	2024			2023		
	Amounts (Numerator)	Shares (Denominator)	Earnings Per Share (NT\$)	Amounts (Numerator)	Shares (Denominator)	Earnings Per Share (NT\$)
	After Income Tax (Attributable to Owners of the Company)	(In Thousands)	After Income Tax (Attributable to Owners of the Company)	After Income Tax (Attributable to Owners of the Company)	(In Thousands)	After Income Tax (Attributable to Owners of the Company)
Basic earnings per share						
Net profit attributed to owners of the Company	\$ 387,718	419,765	\$ 0.92	\$ 1,114,375	419,765	\$ 2.65
Effect of potentially dilutive ordinary shares						
Employees' compensation	-	693		-	1,366	
Diluted earnings per share						
Net profit attributed to owners of the Company	\$ 387,718	420,458	\$ 0.92	\$ 1,114,375	421,131	\$ 2.65



If the Company offered to settle the compensation or bonuses paid to employees in cash or shares, the Company assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted EPS, as the effect is dilutive. The number of shares used in the computation of diluted EPS is estimated by the amount of compensation divided by the closing price of the potential common shares at the end of the reporting period. Such dilutive effect of the potential shares is included in the computation of diluted EPS until the number of shares to be distributed to employees is resolved in the following year.

## 28. DISPOSAL OF SUBSIDIARIES

The Group sold 100% shares of AMTC to the parent company (Winbond Electronics Corporation) at the consideration of JPY1,673,000 thousand (NT\$394,661 thousand) in January 2023. Since this equity transaction is deemed as a structure reorganization, the difference between the consideration received, net of related income tax expenses of NT\$37,208 thousand and the carrying amount of the net assets of AMTC during actual disposal was adjusted NT\$120,401 thousand to the capital surplus.

### a. Consideration received from disposals

	<b>AMTC</b>
Cash and cash equivalents	<u>\$ 394,661</u>

### b. Analysis of assets and liabilities on the date control was lost

	<b>AMTC</b>
Current assets	
Cash and cash equivalents	\$ 197,863
Accounts receivable and other receivables	104,826
Inventories	11,310
Other current assets	3,235
Non-current assets	
Property, plant and equipment	1,976
Intangible assets	540
Deferred tax assets	<u>13,798</u>
Total assets	<u>\$ 333,548</u>
Current liabilities	
Accounts payable and other payables	\$ 86,298
Other current liabilities	<u>10,198</u>
Total liabilities	<u>\$ 96,496</u>
Net assets disposed of	<u>\$ 237,052</u>

c. Net cash inflow on disposals of subsidiaries

	<b>AMTC</b>
Consideration received in cash and cash equivalents	\$ 394,661
Less: Cash and cash equivalent balances disposed of	<u>(197,863)</u>
	<u>\$ 196,798</u>

## 29. CAPITAL MANAGEMENT

The Group's capital management objective is to ensure it has the necessary financial resources and operational plan so that it can cope with the next twelve months working capital requirements, capital expenditures, research and development expenses, debt repayments and dividends payments.

## 30. FINANCIAL INSTRUMENT

a. Categories of financial instruments

	June 30, 2024		December 31, 2023		June 30, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial assets</u>						
Financial assets at amortized cost (Note 1)	\$ 11,957,527	\$ 11,957,527	\$ 11,250,645	\$ 11,250,645	\$ 14,841,064	\$ 14,841,064
Financial assets at FVTPL						
Derivative financial assets	81,125	81,125	99,185	99,185	77,850	77,850
Financial assets at FVTOCI						
Investment in equity instruments	1,415,293	1,415,293	1,348,557	1,348,557	1,336,834	1,336,834
<u>Financial liabilities</u>						
Financial liabilities at amortized cost (Note 2)	10,574,611	10,574,611	9,961,981	9,961,981	15,117,182	15,117,182
Financial liabilities at FVTPL						
Derivative financial liabilities	35,691	35,691	786	786	36,272	36,272

Note 1: Including cash and cash equivalents, accounts receivable (including related parties), finance lease receivables, other receivables and refundable deposits.

Note 2: Including notes and accounts payable (including related parties), other payables, short-term loans, long-term loans (including current portion), dividends payables and guarantee deposits.

b. Fair value information

- 1) The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value is observable and the significance in its entirety, which are described as follows:
  - a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- 2) Fair value measurements recognized in the consolidated balance sheets
- a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed shares and emerging market shares).
- b) The fair value of the financial instruments at fair value through profit or loss is based on Level 2 inputs, either directly or indirectly. The fair value of foreign-currency derivative financial instrument could be determined by reference to the price and discount rate of currency swap quoted by financial institutions. Foreign exchange forward contracts are measured using individual maturity rate to calculate the fair value of each contract.
- c) Domestic unlisted equity instruments at FVTOCI were all measured based on Level 3 fair value. Fair values of such equity instruments were determined using discounted cash flow of income approach and comparable listed company approach, by referring to strike price of similar business in active market, implied value multiple of the price and relevant information. Significant unobservable inputs included P/E ratio, value multiple and market liquidity discount. As the discounted cash flow method was used, the discount rate used for the lack of marketability was 29%; which increase by 1% while all the other variables are held constant, the fair value of investments will decrease by NT\$9,141 thousand and NT\$8,772 thousand for the six months ended June 30, 2024 and 2023, respectively.
- 3) Fair value of financial instruments measured at fair value on a recurring basis

	<b>June 30, 2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ -	\$ 81,125	\$ 81,125
<u>Financial assets at FVTOCI</u>				
Domestic listed shares and emerging market shares	\$ 118,103	\$ -	\$ -	\$ 118,103
Domestic and overseas unlisted shares	\$ -	\$ -	\$ 1,297,190	\$ 1,297,190
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	\$ -	\$ 35,691	\$ -	\$ 35,691

	<b>December 31, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 22,422	\$ 76,763	\$ 99,185
<u>Financial assets at FVTOCI</u>				
Domestic listed shares and emerging market shares	\$ 134,083	\$ -	\$ -	\$ 134,083
Domestic and overseas unlisted shares	\$ -	\$ -	\$ 1,214,474	\$ 1,214,474
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	\$ -	\$ 786	\$ -	\$ 786
	<b>June 30, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ -	\$ 77,850	\$ 77,850
<u>Financial assets at FVTOCI</u>				
Domestic listed shares and emerging market shares	\$ 114,079	\$ -	\$ -	\$ 114,079
Domestic and overseas unlisted shares	\$ -	\$ -	\$ 1,222,755	\$ 1,222,755
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	\$ -	\$ 36,272	\$ -	\$ 36,272

4) Reconciliation of Level 3 fair value measurements of financial instruments

The financial assets measured at Level 3 fair value were financial assets at FVTPL and equity investments classified as financial assets at FVTOCI. Reconciliations for the six months ended June 30, 2024 and 2023 were as follows:

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 1,291,237	\$ 1,238,619
Additions	30,000	-
Recognized in other comprehensive income	52,716	60,911
Recognized in profit or loss	<u>4,362</u>	<u>1,075</u>
Balance at June 30	<u>\$ 1,378,315</u>	<u>\$ 1,300,605</u>

c. Financial risk management objectives and policies

The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign currency risk, and the use of financial derivatives. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group entered into foreign exchange forward contracts to hedge the foreign currency risk arising on the export business.

a) Foreign currency risk

The Group has foreign currency denominated transactions, which expose the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 35 to the consolidated financial statements.

The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period and assuming an increase in net income and equity if New Taiwan dollars appreciate by 1% against foreign currencies. For an 1% depreciating of New Taiwan dollars against the relevant currency, there would be impact on net income in the amounts of NT\$22,587 thousand decrease and NT\$16,669 thousand decrease for the six months ended June 30, 2024 and 2023, respectively. The amounts used in the 1% depreciating of New Taiwan dollars against the relevant currency did not consider the impact of hedge contracts and hedged item.

b) Interest rate risk

Interest rate risk refers to the risk that the change in market value will influence the fair value of financial instruments. The Group's interest rate risk arises primarily from floating rate deposits and long-term loans.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Cash flow interest rate risk			
Financial assets	\$ 8,413	\$ 8,413	\$ 8,413
Financial liabilities	1,504,250	2,064,280	2,811,500

The sensitivity analysis of cash flows based on the Group's exposure to interest rates for fair value of variable-rate non-derivative instruments at the end of the reporting period. If interest rates increased by 1%, the Group's cash outflows for the six months ended June 30, 2024 and 2023 would have increased by NT\$7,479 thousand and increased by NT\$14,015 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group, to mitigate the risk of financial loss from defaults, the Group has established risk procedures and is continuously assessing the credit risk of each counterparty, sufficient collateral will be obtained when necessary. In this regard, the management of the Group consider that the Group's credit risk was significantly reduced.

3) Liquidity risk

The Group has enough operating capital to comply with loan covenants; liquidity risk is low.

The Group's non-derivative financial liabilities and their agreed repayment period are as follows:

	<b>June 30, 2024</b>			
	<b>Within 1 Year</b>	<b>1-2 Years</b>	<b>Over 2 Years</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 7,720,041	\$ -	\$ -	\$ 7,720,041
Lease liabilities	166,505	140,176	255,605	562,286
Variable interest rate liabilities	<u>789,964</u>	<u>285,714</u>	<u>428,572</u>	<u>1,504,250</u>
	<u>\$ 8,676,510</u>	<u>\$ 425,890</u>	<u>\$ 684,177</u>	<u>\$ 9,786,577</u>

Additional information about the maturity analysis of lease liabilities:

	<b>Less than 2 Years</b>	<b>2-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>				
Lease liabilities	<u>\$ 306,681</u>	<u>\$ 156,003</u>	<u>\$ 99,602</u>	<u>\$ 562,286</u>

	<b>December 31, 2023</b>			
	<b>Within 1 Year</b>	<b>1-2 Years</b>	<b>Over 2 Years</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 6,051,703	\$ -	\$ -	\$ 6,051,703
Lease liabilities	165,301	127,188	269,323	561,812
Variable interest rate liabilities	<u>1,207,137</u>	<u>285,714</u>	<u>571,429</u>	<u>2,064,280</u>
	<u>\$ 7,424,141</u>	<u>\$ 412,902</u>	<u>\$ 840,752</u>	<u>\$ 8,677,795</u>

Additional information about the maturity analysis of lease liabilities:

	<b>Less than 2 Years</b>	<b>2-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>				
Lease liabilities	<u>\$ 292,489</u>	<u>\$ 153,869</u>	<u>\$ 115,454</u>	<u>\$ 561,812</u>
<b>June 30, 2023</b>				
	<b>Within 1 Year</b>	<b>1-2 Years</b>	<b>Over 2 Years</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing Lease liabilities	\$ 9,997,120	\$ -	\$ -	\$ 9,997,120
Variable interest rate liabilities	170,091	121,224	312,149	603,464
	<u>1,454,357</u>	<u>428,572</u>	<u>928,571</u>	<u>2,811,500</u>
	<u>\$ 11,621,568</u>	<u>\$ 549,796</u>	<u>\$ 1,240,720</u>	<u>\$ 13,412,084</u>

Additional information about the maturity analysis of lease liabilities:

	<b>Less than 2 Years</b>	<b>2-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>				
Lease liabilities	<u>\$ 291,315</u>	<u>\$ 186,760</u>	<u>\$ 125,389</u>	<u>\$ 603,464</u>

### 31. TRANSACTIONS WITH RELATED PARTIES

a. Related party name and categories

<u>Related Party Name</u>	<u>Related Party Categories</u>
Winbond Electronics Corporation (“WEC”)	The Company’s parent
Winbond Electronics (HK) Limited (“WEHK”)	Associate
Winbond Electronics Corporation America (“WECA”)	Associate
Winbond Electronics Corporation Japan (“WECJ”)	Associate
Callisto Holding Limited	Associate
AMTC	Associate (Note)
Miraxia Edge Technology Corporation (“METC”)	Associate
TPSCo.	Associate
Winbond Electronics Germany GmbH (“WEG”)	Associate
Nyquest Technology Co., Ltd. (“Nyquest”)	Related party in substance
Walton Advanced Engineering Inc.	Related party in substance
Chin Cherng Construction Co., Ltd.	Related party in substance
United Industrial Gases Co., Ltd.	Related party in substance
Walsin (Nanjing) Development Co., Ltd.	Related party in substance
Waltech Advanced Engineering (Suzhou), Inc. (“Waltech”)	Related party in substance

Note: The Group has disposed of AMTC to Winbond Electronics Corporation in January 2023, therefore AMTC has been reclassified from subsidiary to associate. Refer to Note 28 to the consolidated financial statements.

b. Operating activities

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
1) Operating revenue				
Related party in substance	\$ 28,713	\$ 40,381	\$ 57,097	\$ 70,051
Associate	<u>516</u>	<u>28,607</u>	<u>1,194</u>	<u>61,176</u>
	<u>\$ 29,229</u>	<u>\$ 68,988</u>	<u>\$ 58,291</u>	<u>\$ 131,227</u>
2) Purchases of goods				
Associate				
TPSCo.	\$ 885,567	\$ 1,113,474	\$ 1,609,904	\$ 1,977,293
Parent company	<u>44,798</u>	<u>21,919</u>	<u>77,399</u>	<u>44,857</u>
	<u>\$ 930,365</u>	<u>\$ 1,135,393</u>	<u>\$ 1,687,303</u>	<u>\$ 2,022,150</u>
3) Manufacturing expenses				
Related party in substance				
Waltech	\$ 404,335	\$ 478,157	\$ 854,998	\$ 1,046,901
Associate				
TPSCo.	414,017	459,486	824,414	956,178
Others	15,026	15,836	32,795	30,188
Parent company	<u>250</u>	<u>259</u>	<u>496</u>	<u>773</u>
	<u>\$ 833,628</u>	<u>\$ 953,738</u>	<u>\$ 1,712,703</u>	<u>\$ 2,034,040</u>
4) Operating expenses				
Associate	\$ 72,530	\$ 84,040	\$ 166,952	\$ 197,780
Parent company	75,752	20,607	129,077	94,868
Related party in substance	<u>20,225</u>	<u>7,081</u>	<u>38,812</u>	<u>13,451</u>
	<u>\$ 168,507</u>	<u>\$ 111,728</u>	<u>\$ 334,841</u>	<u>\$ 306,099</u>
5) Dividend income				
Related party in substance				
United Industrial Gases Co., Ltd.	<u>\$ 59,840</u>	<u>\$ 59,840</u>	<u>\$ 59,840</u>	<u>\$ 59,840</u>



	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
6) Other income (expense)				
Associate	\$ 7,878	\$ -	\$ 7,950	\$ (2,569)
Parent company	232	-	232	-
Related party in substance	<u>(23,708)</u>	<u>-</u>	<u>(23,708)</u>	<u>-</u>
	<u>\$ (15,598)</u>	<u>\$ -</u>	<u>\$ (15,526)</u>	<u>\$ (2,569)</u>

	June 30, 2024	December 31, 2023	June 30, 2023
7) Accounts receivable from related parties			
Related party in substance			
Nyquest	\$ -	\$ 18,433	\$ 23,753
Waltech	859	2,165	2,403
Others	26	27	26
Associate	<u>304</u>	<u>8,898</u>	<u>16,236</u>
	<u>\$ 1,189</u>	<u>\$ 29,523</u>	<u>\$ 42,418</u>

8) Other receivables			
Associate			
TPSCo.	\$ 32,055	\$ 36,518	\$ 36,621
Others	7,252	9,713	8,230
Related party in substance	781	555	358
Parent company	<u>46</u>	<u>1,598</u>	<u>-</u>
	<u>\$ 40,134</u>	<u>\$ 48,384</u>	<u>\$ 45,209</u>

Other receivables-related parties were collection or payment on behalf of others.

	June 30, 2024	December 31, 2023	June 30, 2023
9) Refundable deposits			
Parent company	\$ 1,780	\$ 1,780	\$ 1,780
Related party in substance	<u>1,722</u>	<u>1,722</u>	<u>1,722</u>
	<u>\$ 3,502</u>	<u>\$ 3,502</u>	<u>\$ 3,502</u>

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
10) Accounts payable to related parties			
Related party in substance			
Waltech	\$ 410,812	\$ 373,818	\$ 496,900
Associate			
TPSCo.	347,719	385,860	694,717
Parent company	<u>30,464</u>	<u>18,482</u>	<u>14,203</u>
	<u>\$ 788,995</u>	<u>\$ 778,160</u>	<u>\$ 1,205,820</u>
11) Other payables			
Associate	\$ 296,209	\$ 216,715	\$ 246,249
Parent company	63,779	94,651	60,004
Related party in substance	<u>233,890</u>	<u>248,339</u>	<u>308,401</u>
	<u>\$ 593,878</u>	<u>\$ 559,705</u>	<u>\$ 614,654</u>
12) Other current liabilities-Advance receipts			
Nyquest	<u>\$ 206,308</u>	<u>\$ -</u>	<u>\$ -</u>
13) Guarantee deposits			
Related party in substance			
Nyquest	\$ -	\$ 244,800	\$ 244,800
Parent company	<u>545</u>	<u>545</u>	<u>545</u>
	<u>\$ 545</u>	<u>\$ 245,345</u>	<u>\$ 245,345</u>

In the second quarter of 2024, the guarantee deposit to Nyquest Company was transferred to other current liabilities - advance receipts according to the signed contract.

The sales and purchase prices and collection and payment terms with related parties were not significantly different from those with third parties. For other related party transactions, price and terms were determined in accordance with mutual agreement.

14) Acquisition of assets

	<b>Purchase Price</b>			
	<b>For the Three Months Ended</b>		<b>For the Six Months Ended</b>	
	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Associate	<u>\$ 12,301</u>	<u>\$ 16,523</u>	<u>\$ 31,541</u>	<u>\$ 20,079</u>

15) Disposal of property, plant and equipment

Related Party Category	Proceeds		Gain (Loss) on Disposal	
	For the Three Months Ended		For the Three Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Associate	\$ 198	\$ -	\$ 198	\$ -

  

Related Party Category	Proceeds		Gain (Loss) on Disposal	
	For the Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Associate	\$ 687	\$ -	\$ 687	\$ -

The price of above transaction was determined to base on the acquisition cost of the equipment and reference to the recent quoted market price.

c. Lease arrangements - Group is lessee

	June 30, 2024	December 31, 2023	June 30, 2023	
1) Lease liabilities				
Related party in substance	\$ 22,146	\$ -	\$ -	
Associate	21,478	24,290	28,624	
Parent company	<u>6,110</u>	<u>12,188</u>	<u>18,233</u>	
	<u>\$ 49,734</u>	<u>\$ 36,478</u>	<u>\$ 46,857</u>	
	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
2) Finance costs				
Related party in substance	\$ 171	\$ -	\$ 394	\$ -
Associate	90	118	186	242
Parent company	<u>16</u>	<u>49</u>	<u>41</u>	<u>107</u>
	<u>\$ 277</u>	<u>\$ 167</u>	<u>\$ 621</u>	<u>\$ 349</u>
3) Acquisition of right-of-use assets				
Related party in substance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,315</u>	<u>\$ -</u>

d. Lease arrangements - Group is lessor/Sublease arrangements

Sublease arrangements under operating leases

For the six months ended June 30, 2024 and 2023, the Group subleases its right-of-use assets to its associate companies WEC, WEHK and TPSCo. under operating leases with lease terms between 1 and 12 years, and the rental is based on similar asset's market rental rates and fixed lease payments are received monthly.

1) The balance of operating lease receivables were as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Associate			
TPSCo.	\$ 11,926	\$ 12,842	\$ 18,289
Others	767	230	232
Parent company	<u>376</u>	<u>401</u>	<u>1,906</u>
	<u>\$ 13,069</u>	<u>\$ 13,473</u>	<u>\$ 20,427</u>

2) Future lease payment receivables are as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Associate			
TPSCo.	\$ 1,008,248	\$ 1,155,776	\$ 1,213,406
Others	9,300	458	1,508
Parent company	<u>1,986</u>	<u>4,254</u>	<u>1,980</u>
	<u>\$ 1,019,534</u>	<u>\$ 1,160,488</u>	<u>\$ 1,216,894</u>

3) Lease income was as follows:

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Associate				
TPSCo.	\$ 33,476	\$ 51,922	\$ 67,659	\$ 105,274
Others	1,012	343	1,666	683
Parent company	<u>993</u>	<u>1,638</u>	<u>2,043</u>	<u>2,035</u>
	<u>\$ 35,481</u>	<u>\$ 53,903</u>	<u>\$ 71,368</u>	<u>\$ 107,992</u>

Lease arrangements under finance leases

The Group leased out equipment and intangible assets to its associate company - TPSCo. under finance leases with lease term of 3 years from the second quarter of 2022. The net investment in leases was NT\$277,390 thousand at the inception of the lease and the contract has average implicit interest rate of approximately 1.85% per annum. The rental is based on similar asset's market rental rates and the fixed lease payments JPY107,719 thousand are received quarterly.

As of June 30, 2024, December 31, 2023 and June 30, 2023, the balance of finance lease receivables were NT\$64,582 thousand, NT\$115,377 thousand and NT\$159,159 thousand, respectively. For the six months ended June 30, 2024 and 2023, there was no impairment loss. The amount of interest income under finance leases for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023, were NT\$404 thousand, NT\$851 thousand, NT\$924 thousand and NT\$1,854 thousand, respectively.

f. Acquisition of financial assets

For the six months ended June 30, 2024: None

For the six months ended June 30, 2023

<b>Related Party Category</b>	<b>Project</b>	<b>Number of Shares</b>	<b>Target</b>	<b>Amount Obtained</b>
Associate				
TPSCo.	Investments accounted for using the equity method	3,920	TPSCo. ordinary share	<u>\$ 59,586</u>

g. Endorsements and guarantees

Endorsements and guarantees provided by the Group

The chairman of the Company is a joint guarantor of the land-leasing from Taiwan Sugar Corporation. Refer to Note 15 to the consolidated financial statements.

Endorsements and guarantees given by related parties

<b>Related Party Category</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Parent company			
Amount endorsed	<u>\$ 6,051,000</u>	<u>\$ 6,516,000</u>	<u>\$ 6,450,000</u>
Amount utilized (reported as secured bank loans)	<u>\$ 504,250</u>	<u>\$ 847,080</u>	<u>\$ 1,204,000</u>

h. Compensation of key management personnel

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 31,218	\$ 39,136	\$ 88,889	\$ 174,926
Post-employment benefits	<u>945</u>	<u>909</u>	<u>1,902</u>	<u>1,788</u>
	<u>\$ 32,163</u>	<u>\$ 40,045</u>	<u>\$ 90,791</u>	<u>\$ 176,714</u>

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

i. Other transactions with related parties

The Group has sold all of its shares of AMTC to WEC in January 2023, refer to Note 28 to the consolidated financial statements.

### 32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for land leases, customs tariff obligations and bank borrowings:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	\$ 958,440	\$ 1,021,639	\$ 1,021,639
Buildings	465,767	519,543	542,970
Investment properties	291,735	324,873	338,775
Time deposits (accounted as refundable deposits)	<u>109,322</u>	<u>109,268</u>	<u>107,239</u>
	<u>\$ 1,825,264</u>	<u>\$ 1,975,323</u>	<u>\$ 2,010,623</u>

### 33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The board of directors of the Company agreed to sell all preferred shares of Autotalks Ltd. of 4,500,553 (including shares which converted from SAFE warrants), the transaction price is estimated to be US\$23,925 thousand, which will vary by the adjustment mechanism contained in the contract on the date of trade. Settlement of this transaction will be effective within 5 working days or on a date to be mutually agreed upon by the parties, subject to the success of the conditions precedent set forth in the contract. As the conditions precedent set forth were not achieved, the transaction was terminated on March 31, 2024.

### 34. OTHER ITEMS

On February 15, 2023, the Government of the ROC announced the amendments to the “Climate Change Response Act”, which added the provision of carbon fee imposition. On April 29, 2024, the Ministry of Environment announced the draft “Regulations for Charging of Carbon Fees”, “Regulations for Administration of Voluntary Emission Reduction Plans” and “Designated Greenhouse Gas Emission Goal for Entities Subject to Carbon Fees” subsequently. According to the draft “Regulations Governing the Imposition of Carbon Fees”, the companies belonging to the power generation industry and large-scale operators in the manufacturing industry, with total annual greenhouse gas emissions generated by direct emissions and indirect emissions that occur through the use of purchased electricity exceeding 25,000 metric tons of carbon dioxide equivalent (tCO<sub>2</sub>e), shall pay carbon fees if their plants are the emission sources subject to inventory, registration and inspection as announced by the Ministry of Environment.

Based on the emissions of the Group in 2023, the Group expects that the aforementioned threshold will be reached in 2024. However, because the aforementioned drafts are still in the pre-announcement stage and the rates of the carbon fee have not yet been announced, the Group is not able to reasonably estimate the impact of carbon fees.

### 35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currency of the entities in the Group and the related exchange rates between foreign currencies and respective functional currency were as follows:

	<b>June 30, 2024</b>		
	<b>Foreign Currencies (Thousand)</b>	<b>Exchange Rate (Note)</b>	<b>New Taiwan Dollars (Thousand)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 182,540	32.45	\$ 5,923,413
ILS	9,166	8.6246	79,050
RMB	7,338	4.4450	32,619
JPY	289,307	0.2017	58,353
<u>Financial liabilities</u>			
Monetary items			
USD	113,236	32.45	3,674,518
ILS	12,580	8.6246	108,497
RMB	10,589	4.4450	47,066
JPY	69,603	0.2017	14,039
EUR	310	34.71	10,752
	<b>December 31, 2023</b>		
	<b>Foreign Currencies (Thousand)</b>	<b>Exchange Rate (Note)</b>	<b>New Taiwan Dollars (Thousand)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 178,715	30.7050	\$ 5,487,438
ILS	10,874	8.4694	92,097
RMB	5,906	4.3270	25,555
JPY	217,862	0.2172	47,320
<u>Financial liabilities</u>			
Monetary items			
USD	131,320	30.7050	4,032,168
ILS	13,070	8.4694	110,694
RMB	4,495	4.3270	19,452
JPY	3,283	0.2172	713

	<b>June 30, 2023</b>		
	<b>Foreign Currencies (Thousand)</b>	<b>Exchange Rate (Note)</b>	<b>New Taiwan Dollars (Thousand)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 228,922	31.14	\$ 7,128,646
ILS	10,017	8.3967	84,111
RMB	9,238	4.2820	39,558
JPY	165,852	0.2150	35,658
<u>Financial liabilities</u>			
Monetary items			
USD	176,782	31.14	5,504,977
ILS	12,219	8.3967	102,598
RMB	5,350	4.2820	22,910
JPY	54,657	0.2150	11,751

Note: The rate foreign currencies are exchanged to New Taiwan dollars and displayed as a rate.

For the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023, realized and unrealized net foreign exchange gains were NT\$73,148 thousand, NT\$107,105 thousand, NT\$136,453 thousand and NT\$101,152 thousand, respectively. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

### 36. SEGMENT INFORMATION

#### a. Basic information about operating segment

##### 1) Classification of operating segments

The Group's reportable segments under IFRS 8 and IAS 34 were as follows:

##### a) General IC product segment

The general IC product segment engages mainly in research, design, manufacturing, sale and after-sales service.

##### b) Foundry service segment

The foundry service segment engages mainly in research, design, manufacturing and sale.



2) Principles of measuring reportable segments profit, assets and liabilities

The significant accounting principles of each operating segment are the same as those stated in Note 4 to the consolidated financial statements. The Group's operating segment profit or loss represents the profit or loss earned by each segment. The profit or loss is controllable by segment managers and is the basis for assessment of segment performance. The Group does not provide information on assets regularly to the Group's chief operating decision maker; thus, the measure of assets is zero. Major liabilities are arranged based on the capital cost and deployment of the whole company, which are not controlled by individual segment managers.

b. Segment revenues and operating results

The following is an analysis of the Group's revenue from continuing operations by reportable segments.

	Segment Revenue		Segment Profit and Loss	
	For the Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
General IC products	\$ 15,255,159	\$ 16,346,799	\$ 1,512,933	\$ 2,073,062
Foundry service	1,041,426	1,269,061	303,266	508,615
Total of segment revenue	16,296,585	17,615,860	1,816,199	2,581,677
Other revenue	399,586	292,986	239,985	179,029
Operating revenue	\$ 16,696,171	\$ 17,908,846	2,056,184	2,760,706
Unallocated expenditure				
Administrative and supporting expenses			(1,160,035)	(1,290,463)
Sales and other common expenses			(631,464)	(643,695)
Income from operations			264,685	826,548
Finance costs			(20,122)	(21,620)
Interest income			88,638	89,817
Dividend income			59,840	59,840
Other gains and losses			(2,830)	8,697
Gains on disposal of property, plant and equipment			17,053	18,836
Foreign exchange gains			136,453	101,152
Losses on financial instruments at fair value through profit or loss			(141,709)	(75,880)
Share of profit of associates			52,433	305,910
Profit before income tax			\$ 454,441	\$ 1,313,300

### 37. ADDITIONAL DISCLOSURE

Transactions between Nuvoton Technology Corporation and subsidiaries are all eliminated when preparing the consolidated financial statements.

a. Following are the additional disclosures for material transactions and investments:

1)	Financings provided	None
2)	Endorsements/guarantees provided	Table 1
3)	Marketable securities held (excluding investments in subsidiaries and associates)	Table 2
4)	Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital	None
5)	Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital	None
6)	Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital	None
7)	Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital	Table 3
8)	Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital	Table 4
9)	Information about the derivative financial instruments transaction	Note 7
10)	Intercompany relationships and Significant intercompany transactions	Table 7
11)	Information on investments	Table 5

b. Information on investment in mainland China

1)	The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits (losses) of investee, ending balance, amount received as dividends from the investee, and the limitation on investee.	Table 6
2)	Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports.  a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.  b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.  c) The amount of property transactions and the amount of the resultant gains or losses.  d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.  e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.  f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.	Table 6

c. Information of major shareholders: Refer to Table 8 attached.

**NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 2)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount (In Thousands of Foreign Currencies)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Company	NTCJ	Subsidiary	\$ 15,441,136	\$ 2,206,540	\$ 2,206,540	\$ 295,623	\$ -	14.39	\$ 15,441,136	Y	N	N

Note 1: The Company's maximum amount endorsed are limited to 20% of the net equity in latest financial statements of the Company or the net value of the endorsee company, whichever is lower. The Company's limitation of maximum endorse amount as described are not limited to subsidiaries that directly or indirectly hold more than 50% of voting shares.

Note 2: The ending balance is approved by the boards of directors of the Company.

Note 3: The Company's maximum amount endorsed are based on the net equity in the latest financial statements of the Company.

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	<u>Shares</u> Yu-Ji Venture Capital Co., Ltd.	The held company as the investee's director	Non-current financial assets at fair value through other comprehensive income	375,000	\$ 7,540	5	\$ 7,540	
	Brightek Optoelectronic Co., Ltd.	None	"	34,680	1,613	-	1,613	
	United Industrial Gases Co., Ltd.	The held company as the investee's director	"	8,800,000	554,400	4	554,400	
	Autotalks Ltd. - Preferred E. Share	None	"	3,932,816	649,000	9	649,000	
	Allxon Inc.	None	"	5,625,000	56,250	15	56,250	
	AionChip Technologies Co., Ltd.	None	"	1,650,000	30,000	8	30,000	
	<u>Warrants</u> Autotalks Ltd.	None	Non-current financial assets at fair value through profit or loss	-	81,125	-	81,125	
SYI	<u>Shares</u> Nyquest Technology Co., Ltd.	The held company as the investee's director	Non-current financial assets at fair value through other comprehensive income	1,650,000	116,490	5	116,490	
NTCJ	<u>Shares</u> Symetrix Corporation	None	"	50,268	-	1	-	

**NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE SIX MONTHS ENDED JUNE 30, 2024**

**(TRANSACTIONS BETWEEN NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES ARE ALL ELIMINATED WHEN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS. THE FOLLOWING DISCLOSURE INFORMATION IS ONLY FOR REFERENCE.)**

**(In Thousands of New Taiwan Dollars and Foreign Currencies)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	NTHK	Subsidiary	Sales	\$ 3,984,687	41	Net 50 days from invoice date	N/A	N/A	\$ 1,481,628	51	
	NTSG	Subsidiary	Sales	406,639	4	Net 8 days end of the month	N/A	N/A	99,075	3	
	NTCJ	Subsidiary	Sales	380,792	4	Net 8 days end of the month	N/A	N/A	185,830	6	
	NTSG	Subsidiary	Purchases	254,480	6	Net 8 days end of the month	N/A	N/A	(31,298)	2	
	NTCJ	Subsidiary	Purchases	2,613,756	58	Net 8 days end of the month	N/A	N/A	(520,723)	26	
NTSG	NTCJ	Fellow subsidiary	Sales	US\$ 43,489	50	Net 10 days end of the month	N/A	N/A	US\$ 7,608	50	
	NTHK	Fellow subsidiary	Sales	US\$ 6,765	8	Net 10 days end of the month	N/A	N/A	US\$ 1,117	7	
NTCJ	NTSG	Fellow subsidiary	Sales	JPY 6,092,785	14	Net 10 days end of the month	N/A	N/A	JPY 864,272	7	
	NTHK	Fellow subsidiary	Sales	JPY 7,894,861	19	Net 10 days end of the month	N/A	N/A	JPY 1,834,917	15	
	TPSCo	Associate	Purchases	JPY 7,694,290	45	Net 10 days end of the month	N/A	N/A	JPY (1,723,943)	33	

**NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**JUNE 30, 2024**

**(In Thousands of New Taiwan Dollars and Foreign Currencies)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
The Company	NTHK	Subsidiary	\$ 1,481,628 (Note 2)	5.91	\$ -	-	\$ 637,047	\$ -
	NTCJ	Subsidiary	185,830 (Note 2)	3.87	-	-	185,830	-
NTSG	NTCJ	Fellow subsidiary	US\$ 7,608 (Note 2)	9.88	-	-	US\$ 7,608	-
NTCJ	NTSG	Fellow subsidiary	JPY 864,272 (Note 2)	11.47	-	-	JPY 864,272	-
	NTHK	Fellow subsidiary	JPY 1,834,917 (Note 2)	10.77	-	-	JPY 1,834,917	-
	The Company	Parent company	JPY 2,581,385 (Note 2)	9.31	-	-	JPY 2,581,385	-
NTIL	The Company	Parent company	ILS 12,580 (Note 2)	(Note 1)	-	-	ILS 12,580	-

Note 1: Other receivables is not applicable to calculation of turnover rate.

Note 2: All receivables balances are eliminated.

**NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA) FOR THE SIX MONTHS ENDED JUNE 30, 2024**

**(TRANSACTIONS BETWEEN NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES ARE ALL ELIMINATED WHEN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS.**

**THE FOLLOWING DISCLOSURE INFORMATION IS ONLY FOR REFERENCE.)**

**(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
The Company	NTHK	Hong Kong	Sales of semiconductor	\$ 427,092	\$ 427,092	107,400,000	100	\$ 770,351	\$ 38,971	\$ 38,971	
	MML	British Virgin Islands	Investment holding	274,987	274,987	8,897,789	100	88,186	(2,442)	(2,442)	
	NIH	British Virgin Islands	Investment holding	515,251	515,251	15,633,161	100	403,533	26,768	26,768	
	SYI	Taiwan	Investment holding	38,500	38,500	3,850,000	100	145,478	(45)	(45)	
	NTIPL	India	Design, sales and service of semiconductor	30,211	30,211	600,000	100	22,879	155	155	
	NTCA	United States of America	Design, sales and service of semiconductor	190,862	190,862	60,500	100	239,804	7,882	7,882	
	NTSG	Singapore	Design, sales and service of semiconductor	1,319,054	1,319,054	45,100,000	100	2,300,478	160,651	160,651	
	NTKL	Korea	Design, sales and service of semiconductor	67,611	30,828	280,000	100	51,077	809	809	
	NTHJ	Japan	Investment holding	5,927,849	5,927,849	100	100	7,983,427	(113,928)	(113,928)	
	NTG	Germany	Customer service and technical support of semiconductor	67,980	67,980	2,000,000	100	68,387	(1,036)	(1,036)	
MML	GLLC	United States of America	Investment holding	1,473,559	1,473,559	-	100	88,605	(2,148)	(2,148)	
NIH	NTIL	Israel	Design and service of semiconductor	46,905	46,905	1,000	100	402,637	26,841	26,841	
NTHJ	NTCJ	Japan	Design, sales and service of semiconductor	111,520	111,520	9,480	100	10,498,765	(114,047)	(114,047)	
NTCJ	TPSCo.	Japan	Foundry and sales of semiconductor	1,708,037	1,708,037	49,539	49	1,755,362	183,823	52,433	(Note 1)

Note 1: Share of profit (loss) includes downstream and upstream transactions.

Note 2: Refer to Table 6 for information on investment in mainland China.

**NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTMENT IN MAINLAND CHINA  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars and U.S. Dollars)**

1. Information on any investee company in mainland China, main businesses and products, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period and repatriations of investment income:

Investee Company in Mainland China	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2024	% Ownership of Direct or Indirect Investment	Net Income of the Investee	Investment Gain (Note 1)	Carrying Amount as of June 30, 2024	Accumulated Repatriation of Investment Income as of June 30, 2024
					Outward	Inward						
NTSH	Provide project of sale in China and repairing, testing and consulting of software and leasing business	\$ 68,036 (US\$ 2,000)	Through investing in NTHK in the third area, which then invested in the investee in mainland China indirectly (Note 2)	\$ 68,036 (US\$ 2,000)	\$ -	\$ -	\$ 68,036 (US\$ 2,000)	100	\$ 1,272	\$ 1,272	\$ 85,312	\$ -
NTSZ	Computer software service (except I.C. design), wholesale business for computer, supplement and software	197,670 (US\$ 6,000)	Through investing in NTHK in the third area, which then invested in the investee in mainland China indirectly	197,670 (US\$ 6,000)	-	-	197,670 (US\$ 6,000)	100	4,435	4,435	241,443	-
Song Zhi (Suzhou)	Provide development of semiconductor and technology, consult service and equipment leasing business	8,688 (RMB 2,000)	Through investing in NTSH in the third area, which then invested in the investee in mainland China indirectly	- (Note 3)	-	-	-	100	4	4	8,004	-
NTNJ	Provide development of semiconductor and technology, consult service and sales.	28,800 (US\$ 900)	Through investing in NTHK in the third area, which then invested in the investee in mainland China indirectly	- (Note 4)	-	-	-	100	(3,237)	(3,237)	25,157	-

Note 1: Investment profit or loss for the six months ended June 30, 2024 was recognized under the basis of the financial statements reviewed by the Company's auditor.

Note 2: GLLC sold all the shares of NTSH to NTHK in May 2024, NTHK directly injected in NTSH.

Note 3: NTSH directly injected the capital in Song Zhi (Suzhou).

Note 4: NTHK directly injected the capital in NTNJ.

2. Information on any investee company in mainland China, main businesses and products, paid-in capital, method of investment, limit on investment in mainland China:

Company	Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2024 (Note 5)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 6)
The Company	NT\$282,135 (US\$8,500)	NT\$282,135 (US\$8,500)	NT\$9,264,681

Note 5: Through investing in MML in the third area in British Virgin Islands, which then invested in the investee in mainland China indirectly was NT\$16,429 (USD 500), WENJ has completed the cancellation and liquidation process in May 2023.

Note 6: Upper limit on the amount of 60% of the Company's net book value.

3. Refer to Table 7 for significant transactions with the investee in mainland China directly and indirectly through investing in companies in the third area.

4. Handling endorsement, guarantee and collateral to the investee in Mainland China directly and indirectly through investing in companies in the third area: None.

5. Financing of funds to investee in mainland China directly and indirectly through investing in companies in the third area: None.

6. Other transactions with significant influence on profit or loss for the period or financial performance: None.



NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars and Foreign Currencies)

No.	Company Name	Related Party	Nature of Relationship	Transaction Details			Percentage of Consolidated Total Gross Sales or Total Assets (%)
				Financial Statement Account	Amount	Terms (Note)	
0	2024.1.1-2024.6.30 The Company	NTHK	Transactions between parent company and subsidiaries	Operating revenue	\$ 3,984,687	-	24
		NTHK	Transactions between parent company and subsidiaries	Accounts receivable from related parties	1,481,628	-	5
		NTSG	Transactions between parent company and subsidiaries	Operating revenue	406,639	-	2
		NTCJ	Transactions between parent company and subsidiaries	Operating revenue	380,792	-	2
		NTCJ	Transactions between parent company and subsidiaries	Accounts receivable from related parties	185,830	-	1
		NTSG	Transactions between parent company and subsidiaries	Operating cost	254,480	-	2
		NTCJ	Transactions between parent company and subsidiaries	Operating cost	2,613,756	-	16
		NTCJ	Transactions between parent company and subsidiaries	Accounts payable to related parties	520,723	-	2
		NTIL	Transactions between parent company and subsidiaries	Operating expense	605,992	-	4
		NTIL	Transactions between parent company and subsidiaries	Other payables to related parties	108,497	-	-
		NTCA	Transactions between parent company and subsidiaries	Operating expense	228,367	-	1
1	NTCJ	NTSG	Transactions between subsidiaries	Operating revenue	1,281,229	-	8
		NTSG	Transactions between subsidiaries	Accounts receivable from related parties	174,324	-	1
		NTHK	Transactions between subsidiaries	Operating revenue	1,651,671	-	10
		NTHK	Transactions between subsidiaries	Accounts receivable from related parties	370,103	-	1
2	NTSG	NTCJ	Transactions between subsidiaries	Operating revenue	1,386,396	-	8
		NTCJ	Transactions between subsidiaries	Accounts receivable from related parties	246,872	-	1
		NTHK	Transactions between subsidiaries	Operating revenue	215,382	-	1

Note 1: There is no significant difference between the sales conditions of parent-subsidary sales and general sales, and the rest of the transactions have no similar transactions to follow, thus the transactions between the two parties are based on the agreement.

Note 2: Significant intercompany transactions refer to transactions amounted to \$100 million.

**TABLE 8****NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****JUNE 30, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Winbond Electronics Corporation	214,954,635	51.21
Taipei Fubon Bank with the custody of the Fuh Hwa Taiwan Technology Dividend Highlight ETF	24,897,000	5.93

Note 1: Table 8 is based on the information on the last business day of the quarter provided by the Taiwan Depository & Clearing Corporation (TDCC). The TDCC calculate the total number of ordinary shares and preferred shares held by shareholders who retain more than 5% of the Company's share (including treasury shares) that have delivered without physical registration. The number of shares in the Company's consolidated financial report and the actual number of shares delivered without physical registration may differ due to the different calculation basis.

Note 2: As per information above, if the shareholder delivers the shares to the trust, shares will be disclosed based on the trustee's account. Additionally, according to the Securities and Exchange Act, internal stakeholder whom holds more than 10% of the Company's share, which includes shares held by the stakeholder and parts delivered to the trust that have decision making rights, should be declared. For information regarding internal stakeholder declaration, refer to the Market Observation Post System website of the Taiwan Stock Exchange Corporation.